

## Message Text

CONFIDENTIAL

PAGE 01 PEKING 00723 01 OF 02 201015Z

11

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
----- 012214

P 200846Z APR 76

FM USLO PEKING

TO SECSTATE WASHDC PRIORITY 5512

INFO AMEMBASSY TOKYO

AMEMBASSY TAIPEI

AMEMBASSY MOSCOW PRIORITY

AMCONSUL HONG KONG PRIORITY

C O N F I D E N T I A L SECTION 1 OF 2 PEKING 0723

EXDIS

E.O. 11652: GDS

TAGS: PFOR CH US UR OREP (PRICE, MELVIN)

SUBJECT: CODEL PRICE MEETING WITH CHIAO KUAN-HUA

1. SUMMARY: DURING COURSE OF APRIL 18 CONVERSATION WITH CODEL PRICE, PRC FONMIN CHIAO KUAN-HUA SAID THAT PRC FOREIGN POLICY TOWARDS THE UNITED STATES WAS PERSONALLY FORMULATED BY CHAIRMAN MAO AND IT WOULD NOT CHANGE REGARDLESS OF THE PERSON IMPLEMENTING THE POLICY. HE ADDED THAT THERE WAS NO NEED TO WORRY THAT CHINA WOULD TURN INWARD. CHIAO REPLIED TO A QUESTION ABOUT POSSIBILITY OF IMPROVEMENT IN SINO-SOVIET RELATIONS WITH A LONG LECTURE ON SOVIET EXPANSIONISM AND SAID THE SUGGESTION BY SOME THAT SINO-SOVIET RELATIONS COULD RETURN TO THE EARLY FIFTIES STATUS SHOWS LACK OF UNDERSTANDING OF THE DEPTH OF THE PROBLEM. HE SAID THE REALITY IS THAT THE SIVJET UNION IS SEEKING WORLD HEGEMONY AND PREPARING FOR WAR AND IN THIS SITUATION "BOTH OF US HAVE MANY COMMON POINTS."

2. ASKED ABOUT THE POSSIBILITY OF THE PRC AND U.S. WORKING TOGETHER ON MILITARY PROGRAMS, CHIAO COMMENTED THAT OUR SOCIAL SYSTEMS ARE DIFFERENT BUT THERE ARE MANY POINTS IN COMMON IN INTERNATIONAL AFFAIRS AT PRESENT. HE DESCRIBED PRC POLICY AS ONE OF INDEPENDENCE AND SELF-RELIANCE. HE THEN SUGGESTED THAT EACH SIDE EXERT ITS OWN EFFORTS AGAINST SOVIET  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 00723 01 OF 02 201015Z

EXPANSIONISM. CHIAO ALSO MADE STANDARD PRC POINTS THAT DANGER

OF WAR INCREASING--ALTHOUGH IT WAS NOT IMMINENT AND MIGHT BE POSTPONED--AND THAT CHINA RELIED ON PEOPLE'S WAR AS ITS MAIN DEFENSE. HE WARNED AGAINST DEDGNT, AND LACK OF VIGILANCE BY THE WEST. LATER AT DINNER, HE EXPRESSED CONCERN THAT U.S. DE-EMPHASIS OF NUCLEAR FIRST STRIKE CAPABILITIES WHICH MIGHT LEAD TO DISASTER IN FACE OF SOVIET NON-NUCLEAR ATTACK. END SUMMARY.

3. CHIAO BEGAIN BY AGREEING WITH CONGRESSMAN WILSON'S STATEMENT ON TRADITIONAL SINO-AMERICAN FRIENDSHIP AND THE NEED FOR OUR TWO COUNTRIES TO BE FRIENDS IN THE CURRENT WORLD SITUATION. HE DESCRIBED THE PRC'S PRIMARY RELIANCE ON ITS PEOPLE FOR NATIONAL DEFENSE RATHER THAN ITS FEW NUCLEAR WEAPONS AND COMPARED THE TUNNELS NOW BEING BUILT IN THE PRC WITH THE GREAT WALL.

4. THREAT OF WAR. ASKED BY CONGRESSMAN PRICE WHETHER HE FELT THERE WAS AN IMMINENT THREAT OF WAR, CHIAO REPLIED: "ON THIS POINT, MAYBE OUR VIEWS ARE DIFFERENT FR'M YOURS. FIRST, WE HOLD THAT DANGER OF WAR HAS BEEN INCREASED AND CONTINUES INCREASING. BUT I WOULD CLARIFY THAT WE DON'T HOLD THAT THE DANGER OF WAR IMMINENT. I HAVE HEARD FROM MANY U.S. FRIENDS WHO WITH GOOD INTENTIONS HOPE WAR CAN BE AVERTED WITH CORRECT POLICIES AND NATIONAL DEFENSE MEASURES. IN OUR VIEW, WAR CAN BE POSTPONED BUT NOT AVOIDED."

5. ASKED WHY, HE CONTINUED: "WE APPROACH THIS FROM REALITY. WHAT IS THE SITUATION IN THE CURRENT WORLD? WHEN DO YOU REMEMBER IN RECENT HISTORY AN ARMS RACE AS FRENZIED AS NOW, PARTICULARLY

THE USSR? THE SOVIET UNION SPENDS SO MUCH MONEY DEVELOPING CONVENTIONAL AND NON-CONVENTIONAL WEAPONS. IS THIS TO FRIGHTEN PEOPLE AND NOT TO USE THEM? SECONDLY, OF COURSE WE MAY DIFFER ON THIS, BUT I TELL YOU FRANKLY, IN THIS ERA WHEN THERE EXIST CLASSES, WAR IS INEVITABLE. YOU HAVE A THEORY THAT WAR WILL NEVER BREAK OUT BECAUSE OF NUCLEAR WEAPONS. IF THERE IS A WAR, BOTH SIDES WOULD BE ANNIHILATED. IN OUR VIEW THERE ARE TWO POSSIBILITIES ON A FUTURE WAR. EITHER 1) NUCLEAR WAR IS POSSIBLE OR 2) PRECISELY BECAUSE BOTH SIDES HAVE POWER

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PEKING 00723 01 OF 02 201015Z

TO DESTROY EACH OTHER, IT LIKELY WON'T BE A NUCLEAR WAR BUT A CONVENTIONAL WAR. ON THIS, FORMER DEFENSE SECRETARY SCHLESINGER HAS COME TO SEE THIS POINT...CHINA NEEDS PEACE MORE THAN YOU BECAUSE IT IS A DEVELOPING COUNTRY. WHEN WE SAY WAR IS INEVITABLE, I HOPE THERE WILL BE NO MISUNDERSTANDING THAT CHINA IS WARLIKE. WE DRAW OUR CONCLUSIONS FROM AN ANALYSIS OF THE OBJECTIVE WORLD. SECONDLY, THE ATTITUDE TOWARD THIS QUESTION HAS MUCH TO DO WITH DEFENSE POLICIES OF EVERY COUNTRY. THERE

IS TREND IN WORLD TODAY AS IF EXISTENCE OF NUCLEAR WEAPONS MEANS  
WAR WON'T COME. THIS IS DANGEROUS TREND."

6. CHIAO COMPARED CURRENT OPINION THAT WAR WOULD NOT BREAK  
OUT WITH ASSUMPTIONS IN 1938 THERE WOULD BE NO WAR IN EUROPE.  
HE ADDED THAT A WILLINGNESS TO PAY ANY PRICE TO AVOID WAR WOULD  
ONLY ACCELERATE ITS OUTBREAK. AFTER PRODDING BY THE CONGRESSMEN,  
CHIAO COMMENTED THAT THE PRC HAD "TAKEN NOTE OF THE FACT THAT  
YOU (U.S.) HAVE INCREASED YOUR NATIONAL DEFENSE BUDGET TO DEAL  
WITH THE THREAT POSED BY THE SOVIET UNION."

7. RELATIONS WITH THE U.S.. ASKED BY CONGRESSMAN  
WOLFF HOW RECENT PRC GOVERNMENTAL CHANGES WOULD AFFECT FOREIGN  
POLICY, CHIAO REPLIED, WE WILL TELL OUR AMERICAN FRIENDS, IN  
OUR FOREIGN POLICY SINCE LIBERATION, ALL ALONG IT WAS CHAIRMAN  
MAO WHO PERSONALLY FORMULATED OUR FOREIGN POLICY. WHETHER  
THIS OR THAT PERSON IMPLEMENTED THE POLICY OF CHAIRMAN MAO  
DOESN'T AFFECT THE FUNDAMENTAL FOREIGN POLICY OF OUR COUNTRY,  
INCLUDING POLICY TOWARD U.S.S."

8. WHEN THE CONGRESSMAN FOLLOWED UP TO EXPRESS A CONCERN  
THAT CHINA MIGHT TURN INWARD OR THAT SINO-SOVIET RELATIONS COULD  
ONCE AGAIN BECOME FRIENDLY AND LEAVE THE U.S. OUTSIDE ONCE  
AGAIN, CHIAO SAID, "THE QUESTION OF INWARDNESS DOESN'T EXIST  
AND THERE WILL BE NO INWARDNESS IN YOUR COUNTRY EITHER. WHAT  
CAN WE DO? WE'RE ALWAYS ON PLANET EARTH. THERE ARE NO GROUNDS  
FOR WORRY. OUR POLICY TOWARD THE UNITED STATES IS PERSONALLY  
FORMULATED BY CHAIRMAN MAO AND EXPRESSED IN THE SHANGHAI  
COMMUNIQUE. THIS POLICY WILL NOT CHANGE."

9. RELATIONS WITH THE SOVIET UNION. HE CONTINUED: "OUR RELATIONS WITH  
H

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 PEKING 00723 02 OF 02 201038Z

11

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
----- 012451

P 200846Z APR 76

FM USLO PEKING

TO SECSTATE WASHDC PRIORITY 5513

INFO AMEMBASSY TOKYO

AMEMBASSY TAIPEI

AMEMBASSY MOSCOW PRIORITY  
AMCONSUL HONG KONG PRIORITY

C O N F I D E N T I A L SECTION 2 OF 2 PEKING 0723

EXDIS

THE SOVIET UNION HAVE A  
LONG AND COMPLEX STORY. AFTER LIBERATION, THERE WAS A PERIOD  
FROM 1949-1954 WHEN OUR RELATIONS WITH THE USSR WERE GOOD. WHY  
ONLY TO 1954? AFTER 1954, THE SOVIET COMMUNIST PARTY CHANGED  
ITS NATURE AND THE REGI S ALSO CHANGED ITS NATURE. IN OUR  
LANGUAGE, THEY BECAME REVISIONISTS, AND THE REPRESENTATIVE  
FIGURE WAS KHRUSCHEV. THEN FROM 1954-64, WE HAD LONG PERIOD  
OF OBSERVATIONS AND DEBATE WITH THEM, AFTER WHICH WE  
CONCLUDED THAT THE SOVIET COMMUNIST PARTY AND GROUP IN THE  
UPPER STRATA WERE INCURABLE AND HAD BETRAYED SOIIALISM AND  
MARXISM-LENINISM. OUR DIFFERENCES WITH THEM DEVELOPED FROM  
DIFFERENCES OVER IDEOLOGY TO DIFFERENCES OVER CONCRETE POLICIES. I  
WON'T DEAL HERE WITH THE DIFFERENCES ON PRINCIPLE BECAUSE EVEN  
BETWEEN US (I.E) CHINA AND THE U.S.) WE HAVE DIFFERENCES  
OF IDEOLOGY. BUT ON PRACTICAL POLICY, AFTER 10 YEARS OF  
OBSERVATION, WE SAW THE SOVIEII HAD A STRONG DESIRE FOR EXPANSIONISM  
AND WANTED TO CONTROL AND BULLY CHINA. IN A WORD, THEY WANTED TO TURN  
CHINA INTO A SOVIET SATELLITE. THERE IS NO TIME FOR ALL THE STORIES."

10. BREZHNEV NO MODERATE. CHIAO CONTINUED, "IN 1964  
WHEN KHRUSHCHEV FELL AND BREZHNEV ROSE, DID THEY CHANGE? NO\*  
NOT ONLY DID THEY NOT CHANGE, THEY BECAME EVEN MORE RABID.  
THERE IS A WESTERN SAYING WITH WHICH WE DON'T AGREE THAT  
BREZHNEV IS A MODERATE AND THE SOVIET MILITARY ARE HARDLINERS.  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 00723 02 OF 02 201038Z

I HAVE MET MANY EUROPEAN FRIENDS WHO TELL ME THIS. I TELL THEM  
THEIR UNDERSTANDING OF THE SOVIET UNION IS SUPERFICIAL. IN FACT,  
BREZHNEV WENT FURTHER THAN KHRUSHCHEV IN IMPLEMENTING THE  
POLICY OF EXPANSION ISSUE AND SOVIET IMPERIALISM. THAT'S WHY  
WE ATTACH LABELS TO THEM. ONE IS THE "NEW TSAR" BECAUSE IN  
FACT THEY PUT UP THE BANNER OF SOCIALISM BUT CARRY OUT THE POLICY  
OF AGGRESSION AND EXPANSION OF THE OLD TSARS. ALL OF YOU MUST  
KNOW RUSSIAN HISTORY. AROUND THE 13TH CENTURY THE  
SLAVIC PEOPLE OCCUPIED AN AREA AROUND MOSCOW AND KIEV. DURING THE  
TSARIST PERIOD THEY EXPANDED GREATLY AND TODAY THIS EXPANSION IS  
EVEN GREATER. DOES THIS MEAN THAT IF BREZHNEV WERE NOT IN  
POWER BUT SOMEONE ELSE, THE USSR WOULD CHANGE ITS POLICY?  
WE SAY NEVER\* WHY DOES SUCH A PHENOMENON OCCUR? BECAUSE  
IN THE SOVIET UNION, A PRIVILEGED CLASS HAS EMERGED. AND IT  
IS THIS PRIVILEGED CLASS THAT EXERCISES CONTROL IN THE USSR."

11. NO RETURN TO 50'S RELATIONSHIP. CHIAO SAID, "HAVE YOU

READ BREZHNEV'S SPEECH AT THE SOVIET PARTY CONGRESS?  
THE SPEECH WAS LONG AND NOT WELL WRITTEN. IN THIS SPEECH, IF  
YOU READ IT CAREFULLY--YOU WILL FIND HE CALLED ON PEOPLE  
TO TIGHTEN THEIR BELTS AND ACCELERATE ARMS EXPANSION AND WAR  
PREPARATIONS TO REALIZE THEIR ATTEMPT AT WORLD DOMINATION. HE HAS  
SUCH GREAT DRIVE FOR WORLD HEGEMONY\* HOW COULD SUCH AN AMBITION  
NOT LEAD TO WAR? IN OUR RELATIONS WITH THE SOVIET UNION, WE COULD  
DEBATE WITH THEM FOR A LONG TIME ON IDEOLOGY. TO USE CHAIRMAN  
MAO'S WORDS: THIS DEBATE COULD GO ON FOR 10,000 YEARS. OF  
COURSE WE MIGHT REDUCE IT TO 8,000 YEARS. THE IDEOLOGICAL  
DEBATE MUST CONTINUE FOR A LONG TIME, BUT THIS SHOULDN'T AFFECT  
NORMAL STATE RELATIONS. THIS IS OUR ATTITUDE TOWARD USSR. BUT  
NOW THE SOVIET UNION WANTS TO LINK IMPROVED STATE RELATIONS TO  
THE DEBATE IN IDEOLOGY. SO ON THEIR PART IT IS  
DIFFICULT EVEN TO MENTION STATE RELATIONS. SOME OF YOU ASK IF  
CHINA WILL RETURN TO THE EARLY 50'S IN ITS RELATIONS WITH THE  
SOVIET UNION. WE SAY YOU DON'T UNDERSTAND THE DEPTH AND THE BREADTH  
OF THE PROBLEM. THE PRESENT SITUATION IS THIS--THE SOVIET  
UNION IS SEEKING WORLD HEGEMONY AND WE SEE THE SOVIET UNION  
PREPARING FOR WAR. THIS IS THE REALITY AND UNDER THIS REALITY  
BOTH OF US HAVE MANY COMMON POINTS. BOTH OF US ARE OPPOSED  
TO HEGEMONY."

12. SINO-U.S. MILITARY COOPERATION. CONGRESSMAN STRATTON ASKED  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PEKING 00723 02 OF 02 201038Z

IF THERE WERE PROGRAMS IN THE MILITARY FIELD ON WHICH WE COULD  
WORK TOGETHER TO POSTPONE WAR AS LONG AS POSSIBLE. CHIAO  
REPLIED, "WELL, OUR SOCIAL SYSTEMS ARE DIFFERENT BUT IN INTER-  
NATIONAL AFFAIRS WE HAVE MANY COMMON POINTS AT PRESENT. WE  
WILL EXERT OUR OWN EFFORTS AND YOU EXERT YOUR OWN EFFORTS. IN  
THE INTERNATIONAL FIELD, OUR POLICY IS INDEPENDENCE AND SELF  
RELIANCE." ASKED WHAT COULD BE DONE TO BLOCK THE SOVIETS IN  
AFRICA, CHIAO SAID, "TO ANSWER SIMPLY, ON YOUR PART YOU  
SEE WHAT YOU CAN DO. YOU DO WHAT IS IN YOUR INTEREST. ON OUR  
PART, WE HAVE SAME VIEW ON EXPANSION OF THE SOVIETS IN  
AFRICA. WE WILL DO OUR BEST AND EXERT OUR UTMOST."

13. NUCLEAR WEAPONS. IN A DISCUSSION AT DINNER WITH CONGRESS-  
MAN WILSON, CHIAO DECRIED THE CURRENT EMPHASIS IN THE UNITED  
STATES ON NO FIRST NUCLEAR STRIKE AND SAID THIS MIGHT LEAD TO  
DISASTER IN CASE OF A SOVIET NON-NUCLEAR INVASION OF THE NORDIC  
COUNTRIES OR YUGOSLAVIA. HE POINTED OUT IN ANGOLA, AS AN EXAMPLE  
WHERE A SOVIET NON-NUCLEAR EFFORT HAD BEEN SUCCESSFUL  
LARGELY BECAUSE OF THE FAILURE OF THE UNITED STATE TO  
BECOME INVOLVED. IN ANSWER TO THE CONGRESSMAN'S QUESTION, CHIAO  
STRESSED THE DEFENSIVE NATURE OF CHINA'S NUCLEAR AND ARMAMENTS AND  
ADDED THAT CHINA WAS NOT A SIGNIFICANT NUCLEAR POWER. HE DOWNGRADED  
THE POSSIBILITY OF NUCLEAR WAR BETWEEN CHINA AND THE SOVIET  
UNION BUT NOTED THAT FORMER SECRETARY OF DEFENSE SCHLESINGER

HAD POINTED OUT THAT SUCH A WAR WOULD HAVE DANGEROUS CONSEQUENCES  
FOR THE UNITED STATES.  
THOMAS

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CODELS, MEETINGS, MINISTER COUNSELORS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 APR 1976  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976PEKING00723  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760148-1060  
**From:** PEKING  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760443/aaaabklp.tel  
**Line Count:** 280  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION SS  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** EXDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 6  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** EXDIS  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 20 OCT 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <20 OCT 2003 by GarlanWA>; APPROVED <02 SEP 2004 by ShawDG>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CODEL PRICE MEETING WITH CHIAO KUAN-HUA  
**TAGS:** PFOR, OREP, CH, US, UR, (PRICE, MELVIN), (CHIAO KUAN-HUA)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006